



County of Los Angeles CHIEF EXECUTIVE OFFICE

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WILLIAM T FUJIOKA
Chief Executive Officer

November 6, 2007

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**DEPARTMENT OF HEALTH SERVICES:
REQUEST TO ACCEPT COMPROMISE OFFERS OF SETTLEMENT
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

Authorize the Director of Health Services (Director) or his designee to accept the attached offers of compromise, pursuant to Section 1473 of the Health and Safety Code, to settle the following individual accounts for patients who received medical care at non-County facilities under the Trauma Center Service Agreement:

(1)	Account Number EMS 134	\$10,164
(2)	Account Number EMS 139	\$ 9,415
(3)	Account Number EMS 140	\$ 4,731
(4)	Account Number EMS 137	\$ 3,397
(5)	Account Number EMS 135	\$ 2,131

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The compromise offers of settlement for patient accounts (1) – (5) are recommended because the patients are unable to pay the full amount of charges and the compromise offers represent the maximum amount the Department was able to negotiate or was offered under the insurance policy or tort settlements involved in these cases.

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

The County has entered in a number of agreements with non-County medical facilities under which it pays for trauma care provided to eligible indigent patients at those facilities. This agreement allows the County, after it has made payment for a particular patient, to pursue recovery from third parties, who are financially responsible for such trauma care.

The best interests of the County would be served by the approval of these compromises, since it will enable the Department of Health Services (DHS) to maximize net recovery on these accounts.

Implementation of Strategic Plan Goals

The recommended action will satisfy County Strategic Plan Goal #4, Fiscal Responsibility.

FISCAL IMPACT/FINANCING

This will expedite the County's recovery of trauma funds totaling \$29,838.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On January 8, 2002, the Board approved an ordinance granting the Director authority to reduce patient account liabilities when it is in the best interest of the County to do so. The ordinance was adopted by the Board on January 15, 2002.

On November 1, 2005, the Board approved a revised ordinance granting the Director authority to reduce, on an account specific basis, the amount of any liability owed to the County which relates to medical care provided by third parties for which the County is contractually obligated to pay, and related to which the County has subrogation or reimbursement rights. The revised ordinance was adopted by the Board on December 8, 2005.

Under County Code Chapter Section 2.76.046, the Director has the authority to reduce patient account liabilities by the greater of i) \$15,000, or ii) \$75,000 or 50 percent of the account balance, whichever is less. Any reduction exceeding the Director's authority requires Board approval.

The compromise of these accounts is not within the Director's authority, so the Director is requesting Board approval of these compromises.

Honorable Board of Supervisors
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IMPACT ON CURRENT SERVICES (OR PROJECTS)

All payments received will replenish the Los Angeles County Trauma Fund.

CONCLUSION

When approved, DHS requires three signed copies of the Board's action.

Respectfully submitted,



WILLIAM T FUJIOKA
Chief Executive Officer

WTF:SRH:SAS
DJ:AT:bjs

Attachments (5)

c: County Counsel
Director and Chief Medical Officer, Department of Health Services

110607_DHS_Compromise Offers

DATA FOR COMPROMISE SETTLEMENT**COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES****TRANSMITTAL No. 1
DATE: November 6, 2007**

Total Charges (Providing Facility)	\$49,659	Account Number	EMS 134
Amount Paid to Providing Facility	\$10,164	Service Type	Inpatient
Compromise Amount Offered	\$10,164	Date of Service	01/31/04-12/03/04
		% of Payment Recovered	100%

JUSTIFICATION

This patient was involved in an automobile versus automobile accident. As a result of this accident, the patient was treated at Henry Mayo Newhall Medical Center and incurred total inpatient charges of \$49,659 for medical services rendered. The facility has received payment from the Los Angeles County Trauma Fund in the amount of \$10,164. The patient's third-party claim has been settled for \$345,000 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement (\$345,000)
Attorney fees	\$128,000	\$128,000	37.10%
Attorney cost	\$5,322	\$5,322	1.54%
Los Angeles County	\$ 49,659	\$10,164	2.95%
Other Lien Holders	\$124,220	\$75,772	21.96%
Patient		\$125,742	36.45%
Total		\$345,000	100.00%

As stated in the Trauma Center Service Agreement, reimbursement to providers is for the hospital component of trauma services provided to eligible indigent patients.

DATA FOR COMPROMISE SETTLEMENT**COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES****TRANSMITTAL No. 2
DATE: November 6, 2007**

Total Charges (Providing Facility)	\$41,559	Account Number	EMS 139
Amount Paid to Providing Facility	\$15,700	Service Type	Inpatient
Compromise Amount Offered	\$9,415	Date of Service	08/29/05-09/02/05
		% of Payment Recovered	60%

JUSTIFICATION

This patient was involved in an automobile versus automobile accident. As a result of this accident, the patient was treated at UCLA Medical Center and incurred total inpatient charges of \$41,559 for medical services rendered. The facility has received payment from the Los Angeles County Trauma Fund in the amount of \$15,700. The patient's third-party claim has been settled for \$30,000 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement (\$30,000)
Attorney fees	\$10,926	\$9,108	30.36%
Attorney cost	\$2,677	\$2,677	8.92%
Los Angeles County	\$46,450	\$ 9,415	31.39%
Other Lien Holders	\$2,882	\$584	1.95%
Patient		\$8,216	27.38%
Total		\$30,000	100.00%

As stated in the Trauma Center Service Agreement, reimbursement to providers is for the hospital component of trauma services provided to eligible indigent patients.

DATA FOR COMPROMISE SETTLEMENT**COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES****TRANSMITTAL No. 3
DATE: November 6, 2007**

Total Charges (Providing Facility)	\$52,729	Account Number	EMS 140
Amount Paid to Providing Facility	\$17,500	Service Type	Inpatient
Compromise Amount Offered	\$4,731	Date of Service	08/29/05-09/02/05
		% of Payment Recovered	27%

JUSTIFICATION

This patient was involved in an automobile versus automobile accident. As a result of this accident, the patient was treated at Huntington Memorial Hospital and incurred total inpatient charges of \$52,729 for medical services rendered. The facility has received payment from the Los Angeles County Trauma Fund in the amount of \$17,500. The patient's third-party claim has been settled for \$15,000 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement (\$15,000)
Attorney fees	\$5,000	\$5,000	33.33%
Attorney cost	\$502	\$502	3.35%
Los Angeles County	\$52,729	\$ 4,731	31.54%
Other Lien Holders	\$2,832	\$268	1.79%
Patient		\$4,499	29.99%
Total		\$15,000	100.00%

As stated in the Trauma Center Service Agreement, reimbursement to providers is for the hospital component of trauma services provided to eligible indigent patients.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 4
DATE: November 6, 2007

Total Charges (Providing Facility)	\$24,484	Account Number	EMS 137
Amount Paid to Providing Facility	\$7,500	Service Type	Inpatient
Compromise Amount Offered	\$3,397	Date of Service	12/26/04-12/27/04
		% of Payment Recovered	45%

JUSTIFICATION

This patient was involved in an automobile versus automobile accident. As a result of this accident, the patient was treated at California Hospital Medical Center and incurred total inpatient charges of \$24,484 for medical services rendered. The facility has received payment from the Los Angeles County Trauma Fund in the amount of \$7,500. The patient's third-party claim has been settled for \$10,129 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement (\$10,129)
Attorney fees	\$3,376	\$3,000	29.62%
Attorney cost	\$335	\$335	3.31%
Los Angeles County	\$24,484	\$3,397	33.54%
Patient		\$3,397	33.54%
Total		\$10,129	100.00%

As stated in the Trauma Center Service Agreement, reimbursement to providers is for the hospital component of trauma services provided to eligible indigent patients.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 5
DATE: November 6, 2007

Total Charges (Providing Facility)	\$31,576	Account Number	EMS 135
Amount Paid to Providing Facility	\$7,500	Service Type	Inpatient
Compromise Amount Offered	\$2,131	Date of Service	11/16/05
		% of Payment Recovered	28%

JUSTIFICATION

This patient and a family member were involved in a solo automobile accident. As a result of this accident, the patient was treated at Providence Holy Cross Medical Center and incurred total inpatient charges of \$31,576 for medical services rendered. The facility has received payment from the Los Angeles County Trauma Fund in the amount of \$7,500. The patient's own insurance policy included a Med-Pay coverage of which a balance of \$2,131 was available for this claim. The patient's insurance company did not disclose the allocation of the Med-Pay to the other interest holders.

As stated in the Trauma Center Service Agreement, reimbursement to providers is for the hospital component of trauma services provided to eligible indigent patients.